

IDENTIFY DRIVERS EXAMPLE

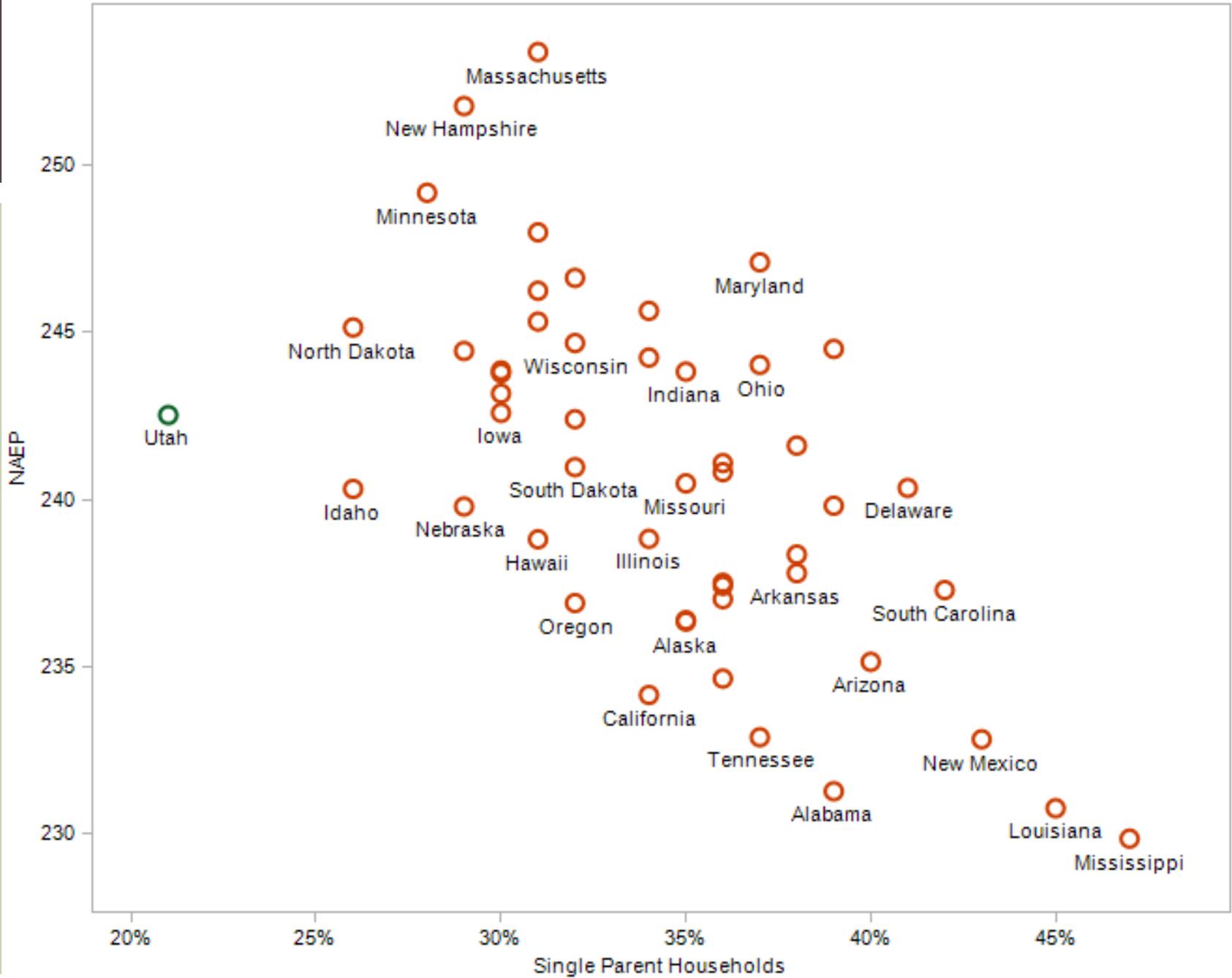
Economic
Demographic
Social

PUBLIC ED IMPACTS

OLDS

SINGLE PARENT HOUSEHOLD (%)

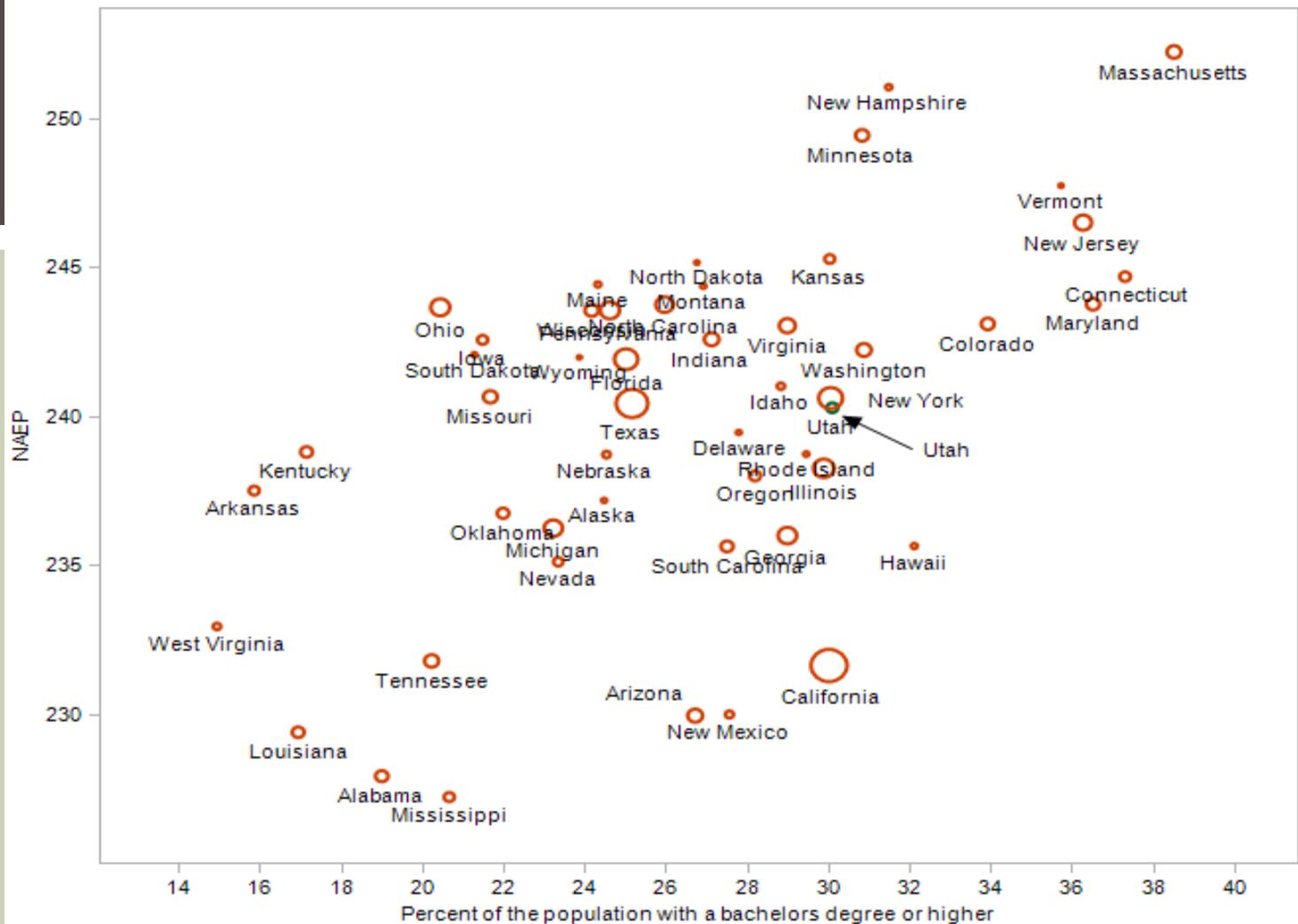
Single Parent Household to Achievement



ENT

EDUCATIONAL ATTAINMENT (%)

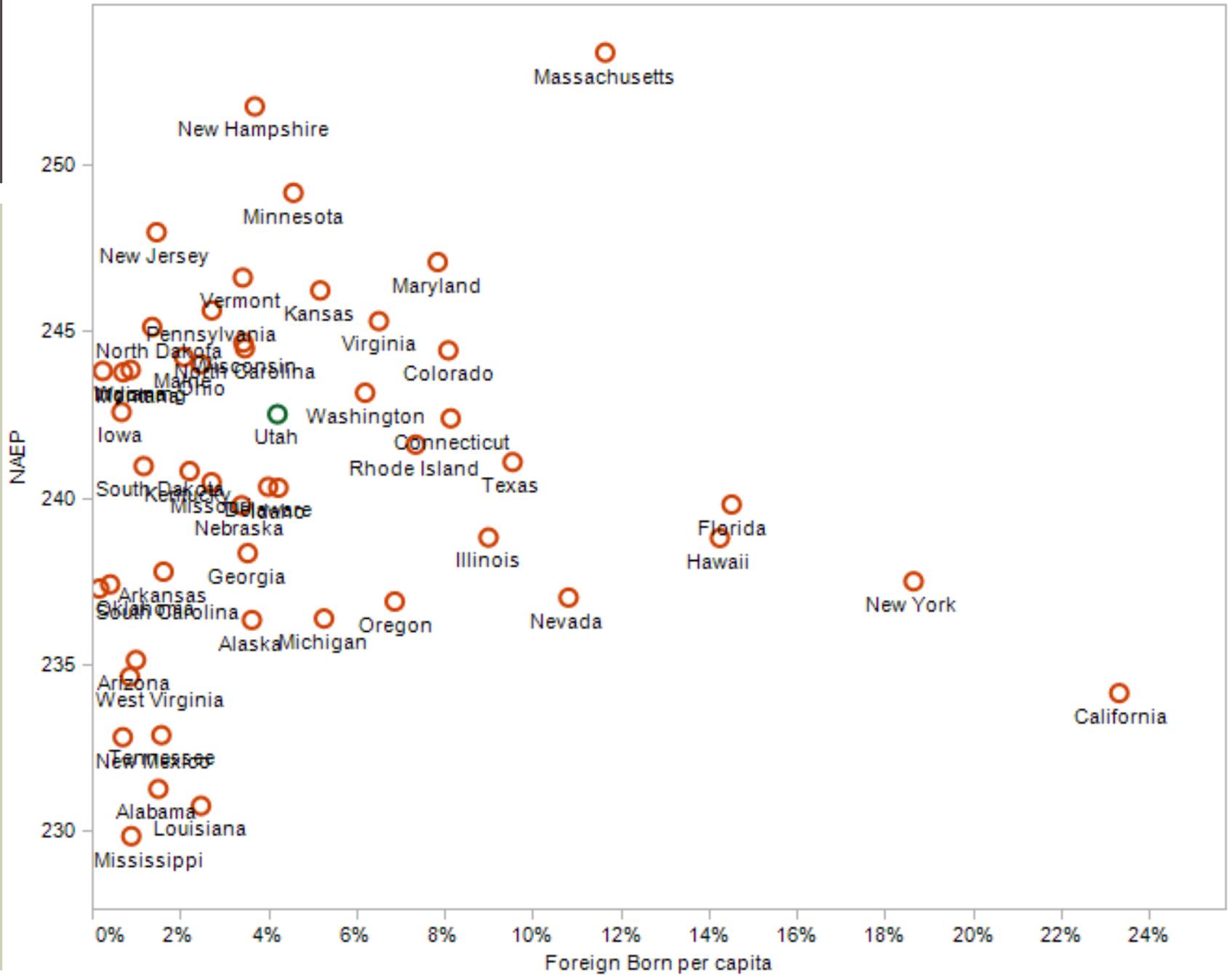
Educational Attainment by Achievement



Student Enrollment

- 352,620
- 5,000,000
- 10,000,000
- 15,000,000
- 20,000,000
- 25,053,796

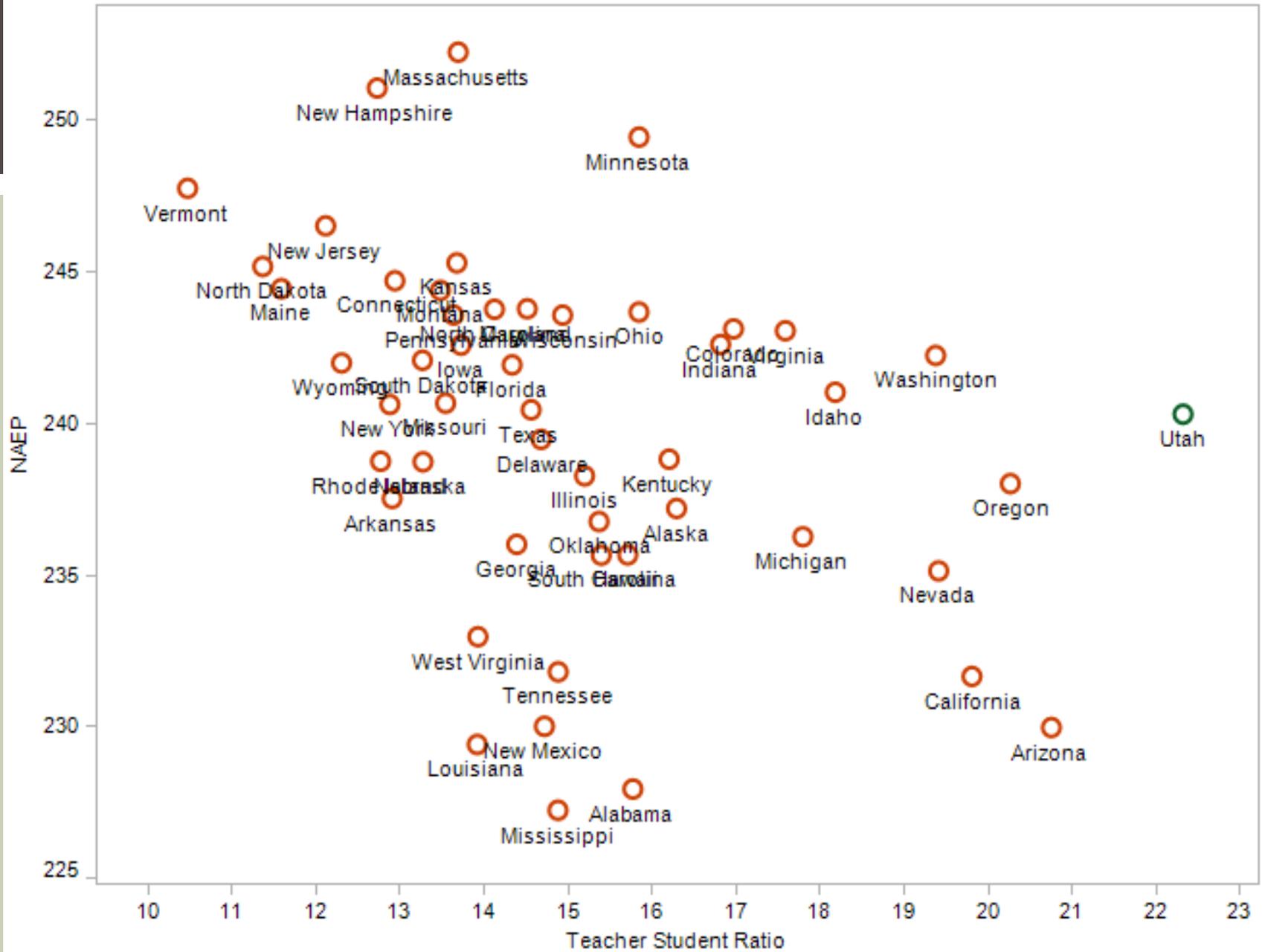
Foreign Born to Achievement



FOREIGN BORN (%)

TEACHER TO STUDENT RATIO

Teacher to Student Ratio, 2009



NAEP SCORES

All Revenue per Student by NAEP scores



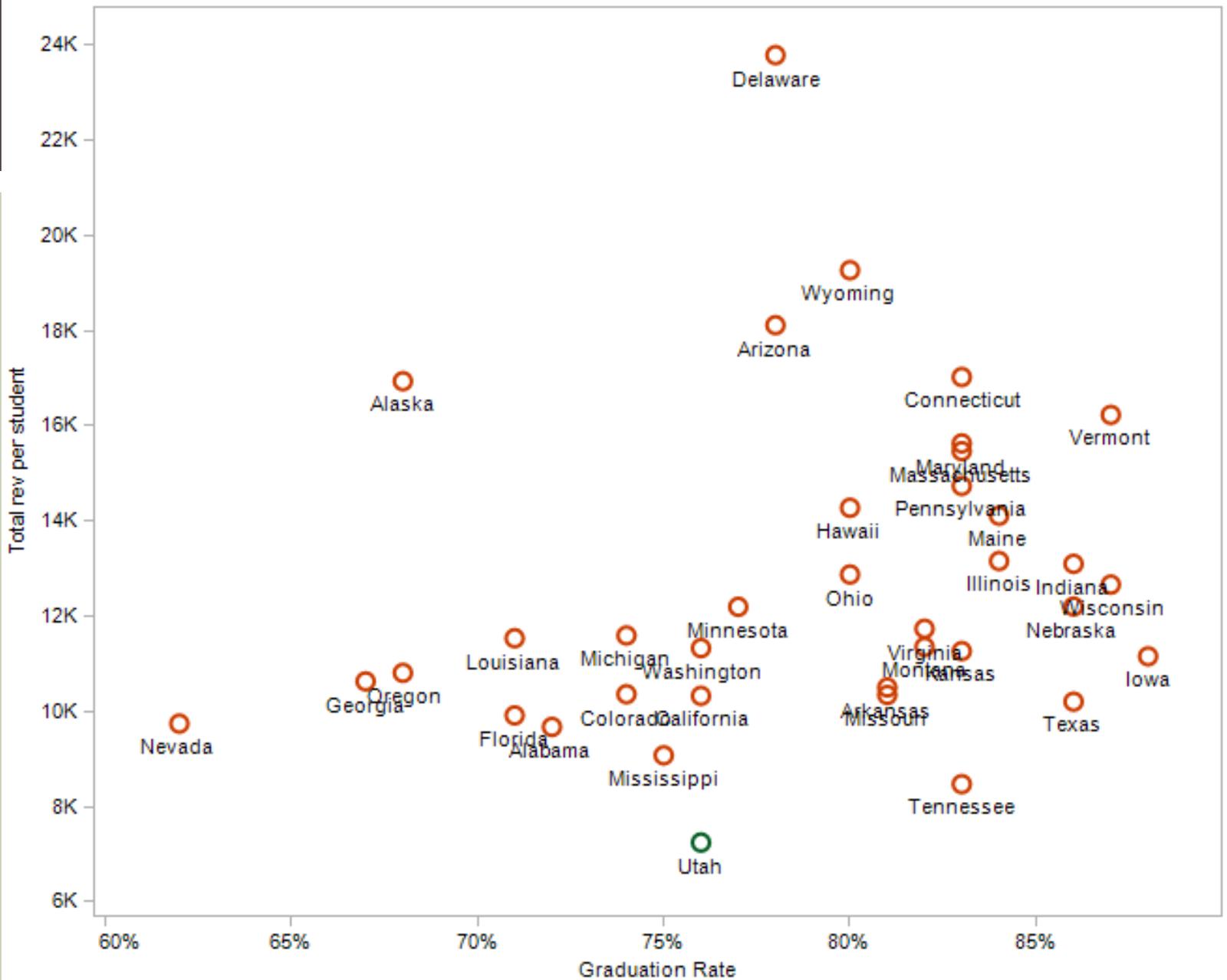
Source: NAEP, Moody's Economy.com, LFA

Number of Public Ed Students

- 88,155
- 2,000,000
- 4,000,000
- 6,263,449

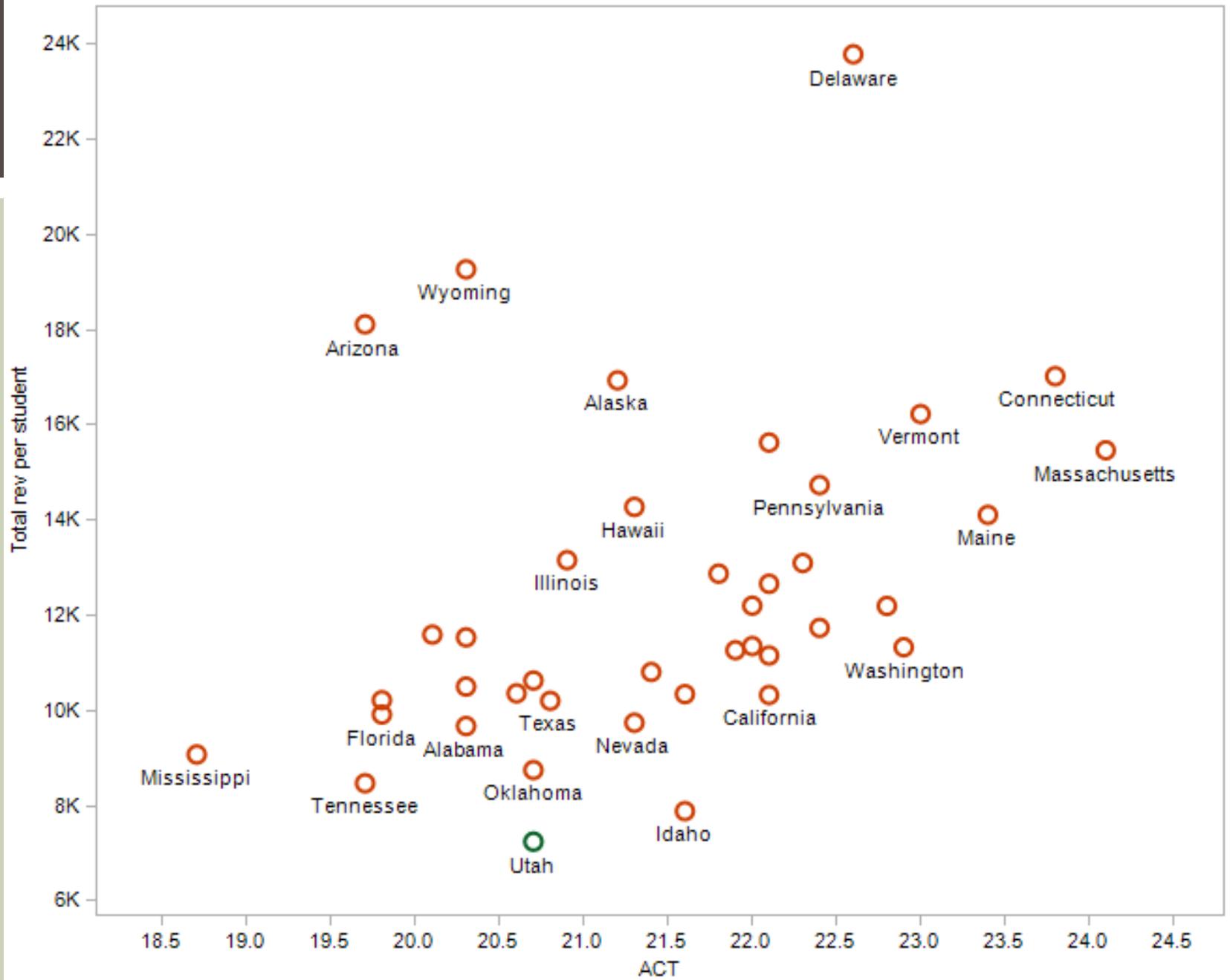
SPENDING TO GRADUATION

All Revenue to Graduation



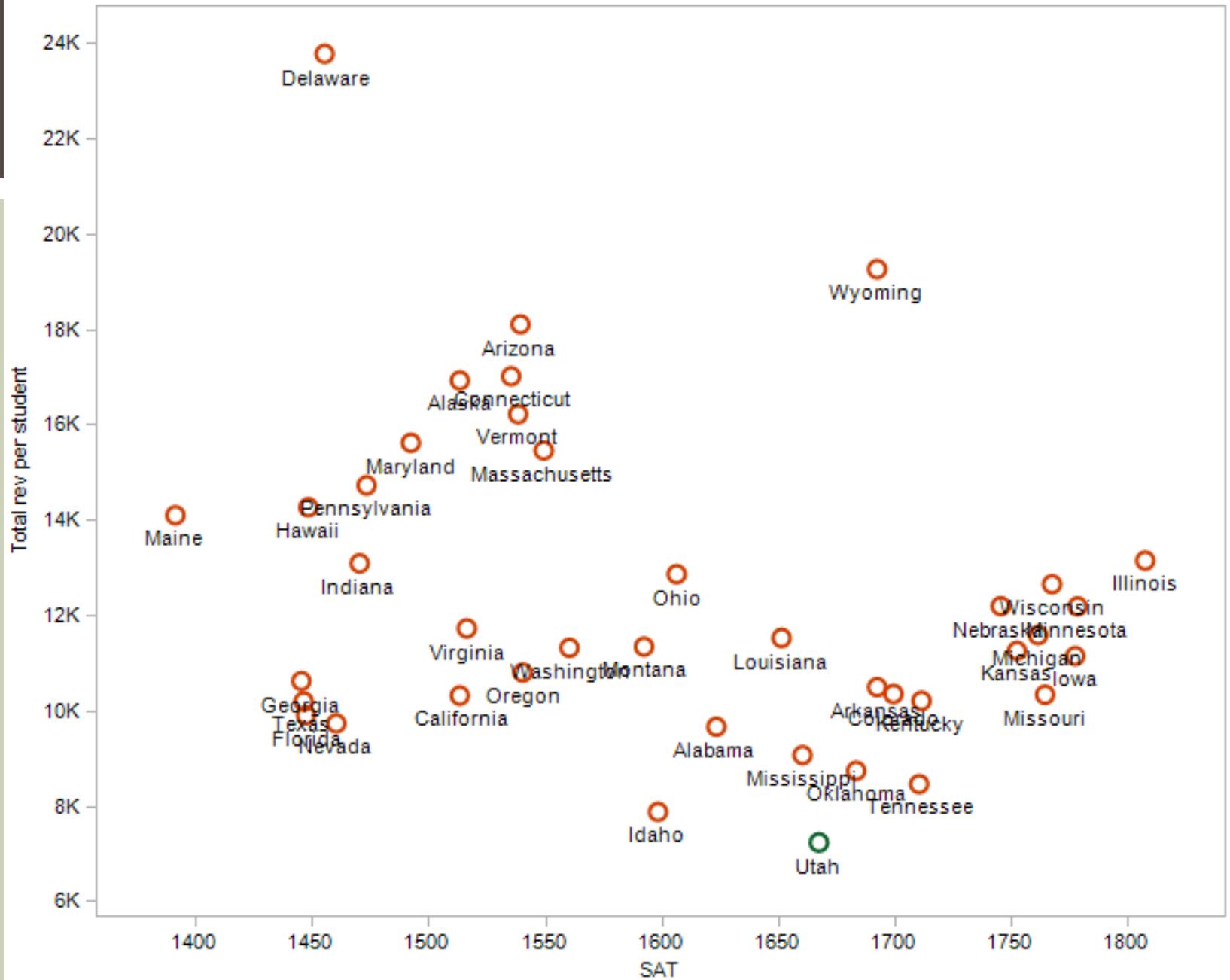
SPENDING TO ACT

All Revenue to ACT



SPENDING TO SAT

All Revenue to SAT



RANDOM EFFECTS PANEL REGRESSION RESULTS

- Educational attainment: 0.2867 (every % increase in percentage of adults with bachelors degree represents a 0.2867 increase in NAEP scores;
- Teacher – student ratio: -0.3534 (not statistically significant)
- Federal revenue per student: 0.0018 (not statistically significant)
- State revenue per student: 0.0007 (about \$900 million to increase NAEP scores 1 point)
- Local revenue per student: 0.0006 (about \$1 billion to increase NAEP scores 1 point)
- Single parents: -17.9258 (every % of households headed by a single parent decreases the score by almost 18 points)
- Foreign born: -0.0011 (every percentage increase in foreign born population decreases expected NAEP score by 0.001)
- Absent these factors, expected score is: 218.74

DEVELOP SCENARIOS EXAMPLE

Baseline
Projections



FIVE YEAR PROJECTIONS

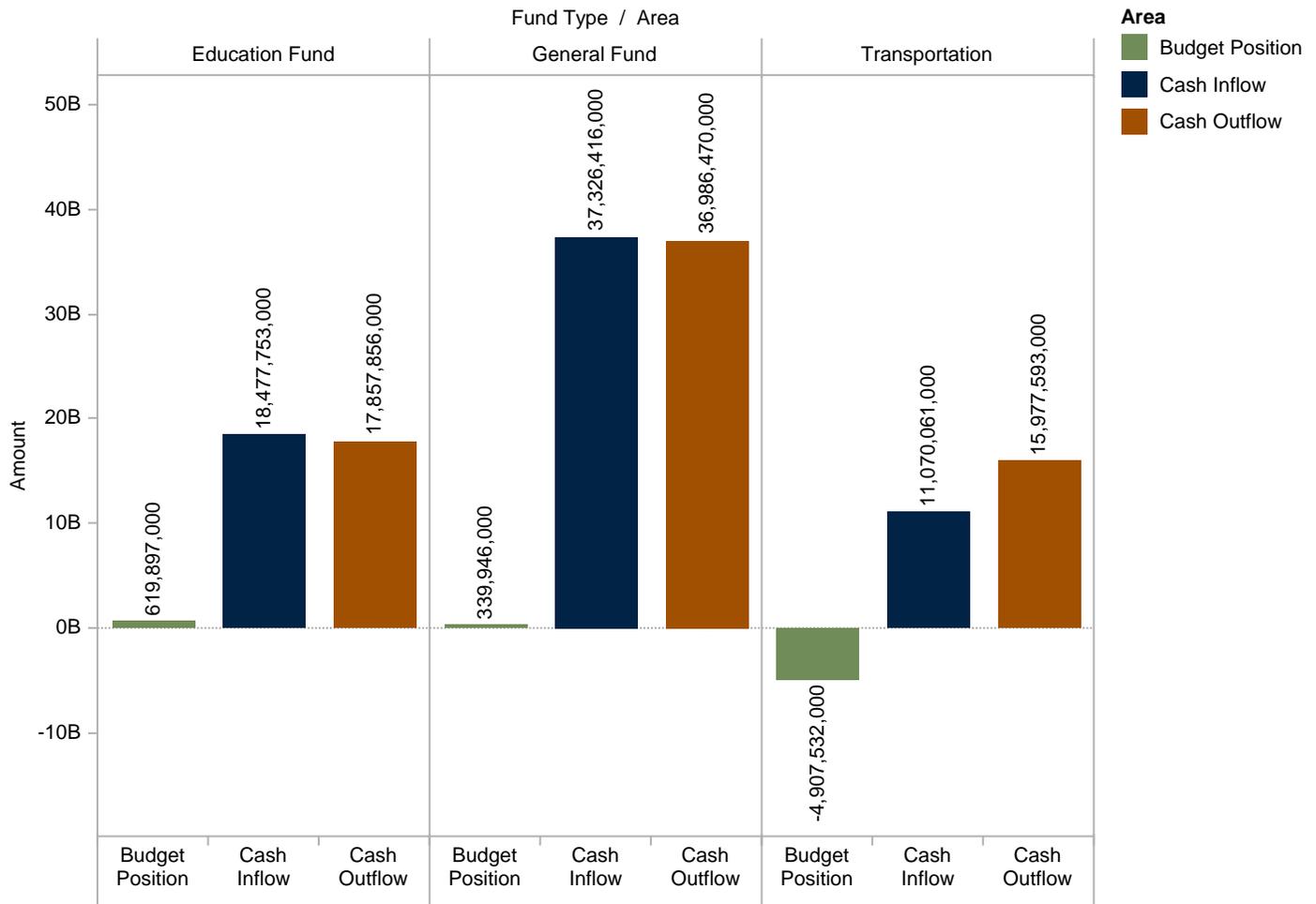
EXECUTIVE APPROPRIATIONS COMMITTEE
 STAFF: THOMAS YOUNG, PH.D., ANDREA WILKO, PH.D., ANGELA J. OH, & STEVEN ALLRED

ISSUE BRIEF

EXECUTIVE SUMMARY

This study presents a five year outlook of cash inflow, cash outflow, financial obligations, and debt service commitments of the State of Utah based upon a methodology proposed by the Governmental Accounting Standards Board (GASB). It is intended to provide legislators with useful information to make long term revenue and expenditure decisions, while simultaneously testing to see if GASB’s guidelines are practicable. The study concludes that the General and Education Funds are on sustainable trajectories and that Utah is on target to meet long-term financial obligations like debt service and retirement. It finds that projected transportation outlay levels are not sustainable over the five year period given associated income projections. The study notes that the single largest component of cash inflow – federal grants and aid – is currently at risk due to federal deficit reduction. Finally, the study compares GASB’s proposed methodology to observed experience in FY 2013 and recommends using the GASB methodology only when done so in conjunction with Utah’s existing consensus processes.

Five Year Budget Position Projection
 FY 13 - FY 17



Source: LFA

DETERMINE BEST FIT EXAMPLE

Then Map-out
and Take
Actions

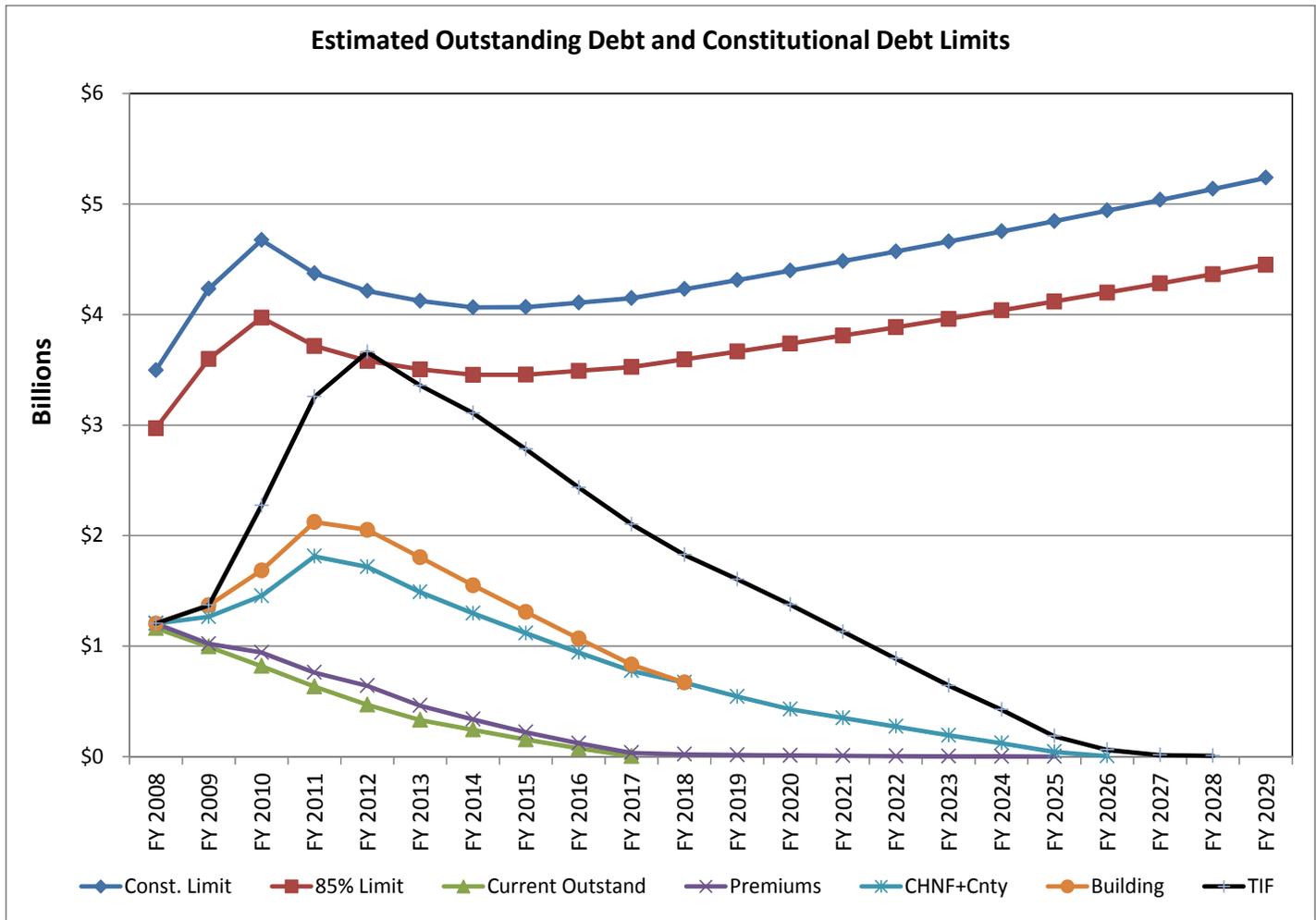


Figure 1

Calculation of Constitutional Debt Limit

Utah code clarifies that the constitutional limit should be calculated using 100 percent of the fair market value of taxable property from the last assessment. However, neither the constitution nor statute precisely defines how to make the calculation. Specifically neither is clear as to:

1. *What constitutes the "last" assessment of property?* Is the annual Tax Commission report sufficient or should up-to-date property estimates be used?
2. *What is included in assessed property?* Should land assessed under the Farmland Assessment Act be included at fair market value and/or are there other properties not currently being assessed that should be?
3. *What property tax projections will determine estimated future debt limits?* As the debt limit is a percent of property values, projecting a future debt ceiling requires an estimate of future fair market property values. Currently, taxable property value estimates used in public education calculations are also used to estimate future debt limits.

The Analyst recommends the Legislature consider legislation to clarify these three questions.

UPDATE AND RE-EVALUATE EXAMPLE

Expect
Surprises!

WHAT WE DID

(And when
we did it)

THE GO-GO DAYS...

Calculation of Available Revenue Assuming Feb. '07 Estimates and FY 07-FY 08

Revenue	Ongoing	One-time*
General Fund	2,284,040,000	278,440,760
Education Fund	3,000,500,000	602,211,295
Total	<u>\$5,284,540,000</u>	<u>\$880,652,055</u>

2007 General Session Appropriations**

General Fund	(1,790,578,100)	(35,075,700)
Education Fund	(2,741,844,214)	(13,433,600)
Total	<u>(\$4,532,422,314)</u>	<u>(\$48,509,300)</u>

Available Revenue

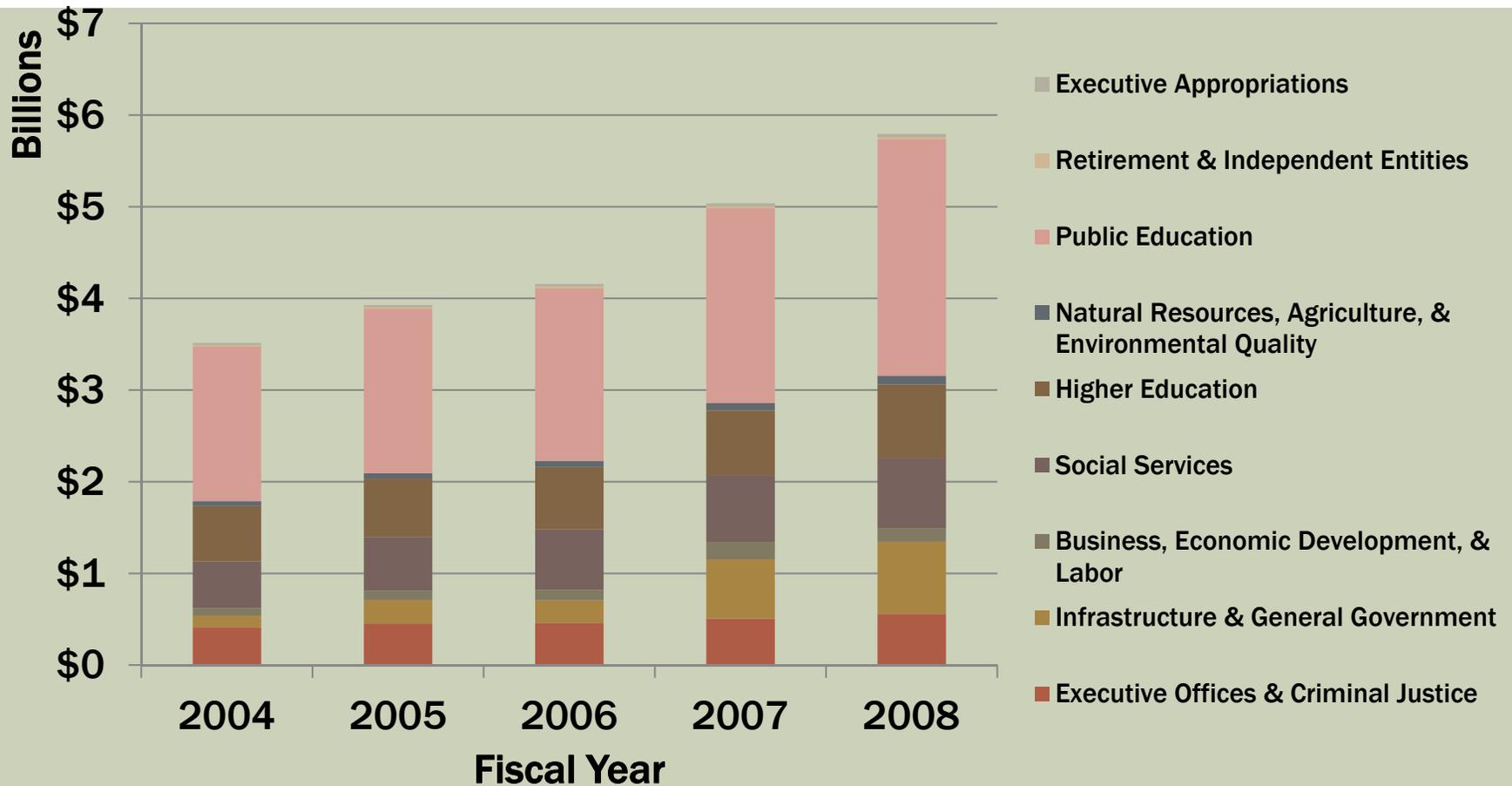
General Fund	493,461,900	243,365,060
Education Fund	258,655,786	588,777,695
Total	<u><u>\$752,117,686</u></u>	<u><u>\$832,142,755</u></u>



PARTY!

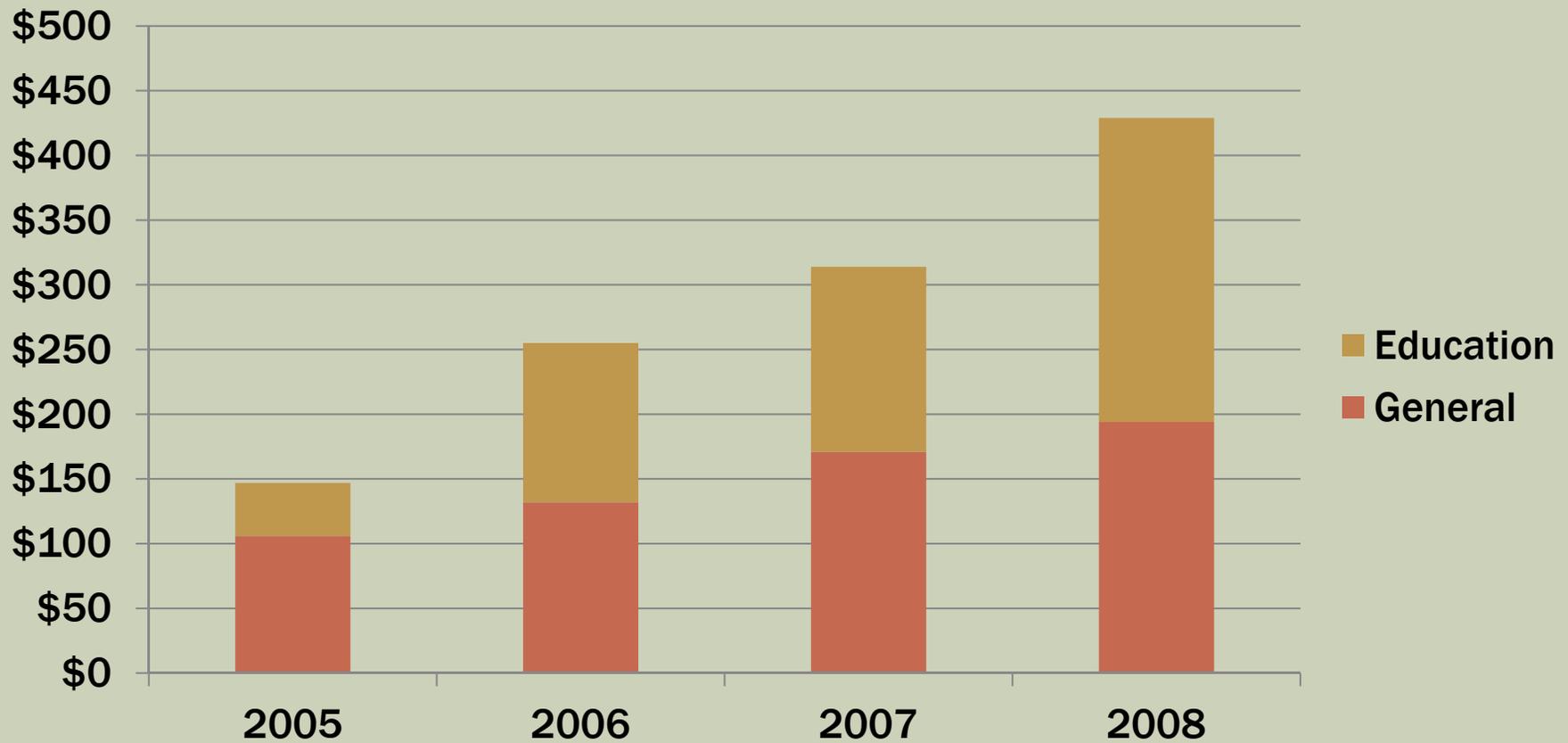
UTAH BUDGET – GF/EF

BY AREA OF EXPENDITURE



RAINY DAY FUNDS

Rainy Day Fund Balances – in Millions



UTAH BUDGET – GF/EF

BY AREA OF EXPENDITURE

